

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: FX Drilling Company, Inc.
Well Name/Number: American Eagle No.14-29
Location: SE SW Section 29 T35N R1W
County: Toole MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time : No, 10 to 14 days drilling time.
Unusually deep drilling (high horsepower rig): No, 2800' TVD
Possible H2S gas production: Yes, possible H2S, low ppms.
In/near Class I air quality area: No Class I air quality area in the area of review.
Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

- ☒ Air quality permit (AQB review)
- ☐ Gas plants/pipelines available for sour gas
- ☐ Special equipment/procedures requirements
- ☐ Other: _____

Comments: Using small rig single derrick drilling rig to drill to 2800' TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.
High water table : No high water table anticipated.
Surface drainage leads to live water No surface drainage nearby. Closest surface water is an alkali pond, about 1/16 of a mile to the northeast from this location. Surface casing will be set to 300' and cemented to surface. Production casing if set will be cemented to surface, if run.
Water well contamination : None, no water wells within 1 mile of this location.
Porous/permeable soils: No, silty bentonitic soils.
Class I stream drainage: No Class I stream drainages in the area of review.

Mitigation:

- ☐ Lined reserve pit
- ☒ Adequate surface casing
- ☐ Berms/dykes, re-routed drainage
- ☐ Closed mud system
- ☐ Off-site disposal of solids/liquids (in approved facility)
- ☐ Other: _____

Comments: 300' of surface casing cemented to surface adequate to protect freshwater zones. Freshwater and fresh water mud systems to be used. 7" production casing will be cemented to surface, if productive.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings anticipated.
High erosion potential: No, small cut, up to 0.4' and a small fill, up to 2.6', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, 320'X325' location size required.

Damage to improvements : Slight, surface is cultivated land.

Conflict with existing land use/values: Slight

Mitigation

- ☐ Avoid improvements (topographic tolerance)
- ☐ Exception location requested
- ☒ Stockpile topsoil
- ☐ Stream Crossing Permit (other agency review)
- ☒ Reclaim unused part of wellsite if productive
- ☐ Special construction methods to enhance reclamation
- ☐ Other _____

Comments: Access will be over existing county gravel road, Ferdig Road and existing two track well trails. Will construct a short new road into this location. Cuttings will be buried in the earthen reserve pit. Fluids will be allowed to evaporate. Pit will be backfilled when dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residence is about 1/16 of a mile to the north from this location.

Possibility of H2S: Yes, slight.

Size of rig/length of drilling time: Small drilling rig/short 10 to 14 days drilling time.

Mitigation:

- ☒ Proper BOP equipment
- ☐ Topographic sound barriers
- ☐ H2S contingency and/or evacuation plan
- ☐ Special equipment/procedures requirements
- ☐ Other: _____

Comments: No concerns. Distance and topographical features should mitigate any noise issues.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: Listed threatened or endangered species in Toole County is the Black Footed Ferret. NH Tracker website lists no species of concern for this Township and Range.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☐ Other agency review (DFWP, federal agencies, DSL)
- ☐ Screening/fencing of pits, drillsite
- ☐ Other: _____

Comments: No concerns, surface use is cultivated private land.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites None identified

Mitigation

☐ avoidance (topographic tolerance, location exception)

☐ other agency review (SHPO, DSL, federal agencies)

☐ Other: _____

Comments: No concerns, surface use is cultivated private land.

Social/Economic

(possible concerns)

☐ Substantial effect on tax base

☐ Create demand for new governmental services

☐ Population increase or relocation

Comments: Well is being drilled in an existing oil field, Kevin Sunburst Oil Field. No concerns

Remarks or Special Concerns for this site

Well is a 2800' Devonian Duperow Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated in a short time.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): Steven Sasaki

(title:) Chief Field Inspector

Date: May 11, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Toole County water wells

(subject discussed)

May 11, 2011

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Toole County

(subject discussed)

May 11, 2011

(date)

Montana Natural Heritage Program Website (FWP)

(Name and Agency)

Heritage State Rank= S1, S2, S3, T35N R1W

(subject discussed)

May 11, 2011

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____